GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

STARRED QUESTION NO:397
ANSWERED ON:14.12.2016
Underreporting of Revenue by Telecom Operators
Diwakar Shri Rajesh Kumar;Singh Shri Kirti Vardhan

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Government has issued demand-cum-show-cause notices to private telecom companies regarding under-reporting of revenue in the recent past;

(b) if so, the details thereof along with the details of revenue to be recovered from each of them, company-wise;

(c) whether some telecom companies have moved court in this regard; and

(d) if so, the details thereof and the present status of the cases?

Answer

THE MINISTER OF STATE (IC) OF THE MINISTRY OF COMMUNICATIONS &
MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI MANOJ SINHA)

(a) to (d) A Statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO.397 FOR 14TH DECEMBER, 2016 REGARDING "UNDERREPORTING OF REVENUE BY TELECOM OPERATORS".

(a) Yes Madam, Department has issued demand-cum-show cause notices to six private telecom companies on the basis of C & AG Report No. 4 of 2016, for four financial years i.e. 2006-07 to 2009-10 for a total amount of Rs. 29474 crores on account of License Fee (LF).

(b) Details of demand cum show cause notices issued to private telecom companies for LF based on C &AG Report No 4 of 2016 are furnished below;
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(In Rs. Crores)
Operator LF (O/S) Interest Penalty Interest on Penalty Total
Bharti Airtel Group 1768 3903 853 1638 8162
Aircel Group 108 269 45 68 490
Tata Teleservices 1213 2683 632 1190 5718
Idea Cellular 629 1260 303 516 2708
Reliance Group 1668 3597 841 1596 7701
Vodafone Group 1104 2039 504 1049 4695
Total 6490** 13751 3178 6055 29474
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**This figure is the revised LF demand which includes Rs 3794 Crore of LF demand already raised by DoT on account of Regular and Special Audit Demands.

The LF is calculated as a percentage of Adjusted Gross Revenue. The definition of Adjusted Gross Revenue is under litigation since 2003. The matter is presently pending in the Hon'ble Supreme Court. As per orders of the Hon'ble Supreme Court, the Department has been barred from taking any coercive step to recover the outstanding dues.

(c) & (d) Yes, One of the TSPs i.e. M/s RCL (Reliance Communications Limited) has challenged these demands in Telecom Disputes Settlement and Appellate Tribunal (TDSAT) vide petition no. 71 of 2016. Matter is pending in TDSAT.